GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2187
ANSWERED ON:14.03.2008
VAT ON AAY GRAINS
Sujatha Smt. C.S.

Will the Minister of FINANCE be pleased to state:

(a) whether Value Added Tax (VAT) is levied on the foodgrains under Antyodaya Anna Yojana (AAY);

(b) if so, the details thereof;

(c) whether the imposition of tax puts additional financial burden on the State Governments; and

(d) if so, the details thereof and steps taken thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (d): State VAT, being a tax on sale or purchase of goods within a State, is a State subject by virtue of Entry 54 of State List of the Constitution. An Empowered Committee of State Finance Ministers (EC) has been constituted to deliberate upon and decide all matters concerning State VAT. The Empowered Committee monitors all the issues related to VAT.The Central Government has no direct role to play in this regard, except that of a facilitator.